

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6338

BILL NUMBER: HB 1128

NOTE PREPARED: Dec 6, 2012

BILL AMENDED:

SUBJECT: Removal of Bars and Taverns from Smoking Ban Exemption.

FIRST AUTHOR: Rep. Brown C

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill removes the exemption for bars and taverns from the smoking prohibition law.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary* - The bill could potentially result in about \$17,000 of one-time expenditures for the Indiana State Excise Police (ISEP) to inspect the premises of bars and taverns that are currently certified as exempt from the smoking ban, but would be decertified under the bill. Whether these costs are incurred would depend on the ISEP's decision to inspect the bars and taverns.

In the long run, the number of ISEP inspections could be reduced if the exemption for bars and taverns is removed. The amount of the cost reduction is indeterminate because there are no data available to indicate how many businesses would no longer qualify for an exemption that have not already been certified as exempt. The cost of an inspection for a smoking ban exemption is estimated at \$25.

Background: The Alcohol and Tobacco Commission (ATC) is responsible for the enforcement of the smoking ban. The ISEP, a unit of the ATC, inspects the premises of a business applying for a smoking ban exemption prior to approval. The ISEP also has a policy of inspecting the premises of a business anytime that there is a status change in the business permit. An ISEP database of exemptions from November 20, 2012, indicates 671 businesses with active and current permits consistent with bars and taverns have received an exemption.

Each inspection for a smoking ban exemption is estimated to take an hour and cost about \$25. The estimate includes inspection planning, officer travel time, and the premises inspection. Using these figures, it is estimated that the inspection of bars and taverns in relation to the smoking ban exemption has cost about \$17,000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: ATC.

Local Agencies Affected:

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